

# City of LaVerkin

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## LaVerkin City Council Meeting Minutes

Wednesday, December 4, 2013 6:00 p.m.

Council Chambers, 111 S. Main, LaVerkin, Utah

**Present:** Mayor Karl Wilson; Council-Members: Randy Reeve, Richard Hirschi, Phil Jensen, Brandon Stephenson, and Ray Justice; Staff: Derek Imlay, Troylinn Benson, Kevin Bennett, Chief Lloyd Watkins, and Christy Ballard; Public: Blair Gubler, John and Rose Valenti, Jake Bulkley, Alan Gardner, Melanie Wilson, Shannon Wastling, Rick Wixom, Jay Maxfield, Mary Stephenson, and Mike Spilker.

*Councilman Randy Reeve is present via telephonic participation.*

**A. Called to Order** – Invocation and Pledge of Allegiance by Richard Hirschi at 6:00pm.

**B. Presentation:**

1. Local option transportation tax-Commissioner Gardner and Ron Whitehead

There has not been an increase on the transportation tax since 1997. Since then the price of labor and asphalt have gone up and vehicles get better gas mileage. The revenues have been shrinking.

The Legislature is not willing to implement a State wide gas tax but would be willing to consider doing a county option gas tax.

The transportation tax would be a 3% increase per gallon which right now would be about 9 or 10 cents per gallon. In order for the Legislature to consider this tax each county would need to approve of it. The League of Cities is in favor of this effort.

The proposal is that once a year they will figure the average price of a gallon of fuel throughout the State and that amount is what the 3% increase will be based off of. Half of that money will stay with the State and be distributed according to the formula used with the B&C Road Funds for cities and counties. The State will not get any of these monies. The other half will go back to the COG and they will decide how best to divide that up.

**C. Consent Agenda:** (Items on the consent agenda may not require discussion. These items will be a single motion unless removed at the request of the Mayor or City Council.)

1. Declarations of conflict of interest
2. Agenda
3. Minutes: November 18, 2013 Special Meeting Minutes and November 20, 2013 regular meeting minutes
4. Review Invoices and Checks: \$61,972.37

Councilman Ray Justice pointed out business item 4 has a date listed wrong under the first whereas statement. It needs to be March 21, 2007, not March 21, 2013.

**Motion was made by Councilman Ray Justice to approve the consent agenda with the correction to Business Item 4, the November 18, 2013 special meeting minutes, the November 20, 2013 regular meeting minutes, and checks and invoices in the amount of \$61,972.37, second by Councilman Brandon Stephenson. Roll Call Vote: Hirschi-yes, Reeve-yes, Jensen-yes, Stephenson-yes, Justice-yes. Motion carried unanimously.**

**D. Committee Reports:**

1. Planning Commission – Councilman Hirschi reported there has not been a meeting.

2. Water Board – Kyle reported there was a gentleman that attended the last Water Board meeting to discuss his issue of low water pressure. Kyle will be meeting with him to hear his ideas on ways the City can improve the water pressure in his area. There was also a discussion on what the Water Conservancy District will be doing with the diversion dam.
3. Sewer Board-Blair reported there will be a meeting on Dec. 10<sup>th</sup> to approve the new budget and close out the current one. The cleaning in La Verkin has been completed. The lines on State Street have also been TV'd. They did find one break that will be getting fixed. There are several maintenance items they do when the weather gets cold.
4. Fire District-Chief Kuhlmann was at training.

**E. Citizen Comment & Request for Future Agenda Items:**

No comments were made.

**F. Public Hearing:**

1. CDBG Grant

Mayor Wilson opened the public hearing for the CDBG program and Councilman Justice stated that this hearing is being called to consider potential projects for which funding may be applied under the 2014 Community Development Block Grant Program. It was explained that the grant money must be spent on projects benefiting primarily low and moderate-income persons. The Five County Association of Governments (FCAOG) in which La Verkin City is a member, is expecting to receive approximately \$700,000 in this new program year. All eligible activities that can be accomplished under this program are identified in the CDBG Application Guide and interested persons can review it at any time. Councilman Justice read several of the eligible activities listed including, Construction of public works and facilities, ie: water and sewer lines, fire stations, acquisition of real property, provision of public services such as food banks or homeless shelters. Also eligible are loan programs for private businesses which would then hire low income persons. The program can also pay for housing rehabilitation for low income homeowners or for persons owning rental housing for lower income persons. Councilman Justice indicated that in the past La Verkin City has received seven grants; in 1982 a community facility at \$4,076; in 1984, a fire grant for \$74,000; in 1990, a water grant for \$33,052; in 1992, a water grant for \$20,000; in 1993, a water grant for \$21,050; in 1995, for flood control planning \$20,397; in 1995, an ADA grant for \$86,530. The city has handed out its capital investment plan as part of the regional **“Consolidated Plan”** **The list shows which projects the city has identified as being needed in the community.**

It was asked that anyone with questions, comments or suggestions during the hearing please identify themselves by name, before they speak. The clerk will include your names in the minutes and we would like to specifically respond to your questions and suggestions during the hearing.

*Mayor Wilson opened the public hearing at 6:15.*

Jay Maxfield, the Executive Director of Dixie Care and Share said they currently have a food bank and pantry in Hurricane. They would like to apply for a grant under CDBG to allow for a facility in La Verkin. They served about 521 families last year at the Hurricane facility. The growth is coming this way in the next 20 years. This new building will allow them to be in a better position to handle that as well as offer many other services not currently available in Hurricane.

Councilman Justice asked if Mr. Maxfield had a specific location in mind.

Mr. Maxfield answered there are several locations they have found that would be do-able. There is a building on State Street they have looked at.

Councilman Stephenson asked if Mr. Maxfield will be going to other cities for their help.

Mr. Maxfield replied that in order to get a CDBG grant Dixie Care and Share needs a sponsoring city.

Kyle explained this will not cost the City of La Verkin any money. Dixie Care and Share cannot go to CDBG on their own they need a sponsoring entity. We did not attend the meeting this year because there were not any projects we had planned however, Five County Association of Governments has a representative from the County that will be our representative from La Verkin.

Councilman Hirschi asked if Mr. Maxfield did not receive the entire amount they needed would they take what they got and apply for the rest at a later date.

Mr. Maxfield said that if they did not get the amount needed they would apply the next year. Dixie Care and Share is very high on the points list for the CDBG grant. Whatever monies they don't get from CDBG he would go to work to raise.

Councilman Jensen asked what would happen with the building or the money if Mr. Maxfield did get the money and moved to La Verkin then at a later date decided to move out.

Mr. Maxfield explained that the City could either keep control of the money, build the facility then lease it to Dixie Care and Share for a dollar or the City could give Dixie Care and Share a grant and then the equity would become the equity of the organization.

If at a later date it is sold that doesn't matter, it is not a grant that would have to be paid back. The only way the money would have to be paid back is if the project did not get completed, the City would have to give back the money including the part that had already been spent.

Mayor Wilson asked if there were any other projects the citizens would like the City to be aware of.

No other comments were made.

*The public hearing was closed at 6:24pm.*

#### **G. Business:**

1. Discussion and possible action regarding request for support for local option transportation tax.

Mayor Wilson explained this is what Commissioner Gardner and Mr. Whitehead presented on. They are looking for a vote of support from the City Council.

Councilman Stephenson asked what the factors were in deciding where the 50% that the COG receives would go.

Council of Governments is a board that all of the Mayors in the County along with the Commissioners set on. They decide together where the money would go.

Mayor Wilson pointed out on the chart La Verkin would get about \$80,000 more for the roads just from the 50% not going to the COG. The main purpose of the COG is corridor preservation.

Kyle reported that one issue raised during the MPO meeting was the price difference of fuel from county to county.

Commissioner Gardner replied that will be fixed by taking the average once a year and then basing the increase off that number so the increase amount will be the same for the entire state and could change year to year.

Councilman Hirschi asked who would be voting on this issue if La Verkin does give approval.

Commissioner Gardner replied after they go to each town the results will be reported to the Legislature and they will vote on it.

Mr. Whitehead explained there are several versions of this out there. This way will benefit Southern Utah and he feels it has a better chance to pass since it is proposed as a local option tax. This may not make it to the Legislature this year. Right now Representative Ipson is looking at this idea and may be the sponsor of it. If every county does approve it and the State will approve on the condition they receive some of the money the Commissioners will not support that without some serious negotiation.

UAOC and ULCT are both in support of this as well as Dixie MPO.

La Verkin is the first City they have been to looking for support.

At the same time they will try to lock the way B&C Road Funds are distributed into place so the State can't approve the tax but then change B&C Road Funds.

Mayor Wilson stated this idea is probably the fairest way to get the money needed to maintain the roads because it is a user tax.

Councilman Justice asked if the distribution of the money would be by consumption or per capita.

Commissioner Gardner explained that B&C Road Funds has a formula they use to distribute the money, the 50% will be distributed using that same formula, the other 50% will be given to the COG and they will determine where that money goes.

The tax will be collected on the refinery level and distributed on the County level.

**Motion was made by Councilman Phil Jensen to give conceptual approval to support the local transportation funding proposal as presented, second by Councilman Richard Hirschi.**

Councilman Stephenson said he hates to see taxes go up ever but thinks we will be forced to do this either way.

Councilman Justice stated he too hates to see taxes raised but if this will provide additional funding to help improve the roads he doesn't see any other option.

Mayor Wilson mentioned this may help keep our taxes down in other areas.

**Roll Call Vote: Reeve-yes, Hirschi-yes, Jensen-yes, Stephenson-yes, Justice-yes. Motion carried unanimously.**

2. Discussion and possible action to authorize the City to go out to bid on the 2014 Road Construction Project, and to approve the language of the proposed bids, specifications, and contract therefor.

Mayor Wilson pointed out this project is a maintenance project, not a construction project.

Derek passed out a map with the roads included in the bid packet highlighted. The east side has been completed, as much as can be done. This project will start the west side improvements for all eligible roads. They will be doing crack seal which is best to do during the wintertime on the road and along the curb and gutter. Derek explained the product it is the same product we have been using the last 5 years. He is hoping to start this project the first of February.

Councilman Stephenson is in support of this project.

Derek stated that if the bids come in higher than anticipated, he will start removing roads from the project to stay on budget. The east side has been completed and he is hoping to get the west side done in the next

two years and then they will start back over with the east side. That should put us on schedule with the 5 year guarantee the product has and the projects should go faster and be less expensive.

**Motion was made by Councilman Brandon Stephenson to authorize the City to go out to bid on the 2014 Road Maintenance Project, and to approve the language of the proposed bids, specifications, and contract therefor, second by Councilman Ray Justice. Roll Call Vote: Justice-yes, Stephenson-yes, Jensen-yes, Hirschi-yes, Reeve-yes. Motion carried unanimously.**

3. Discussion and possible action to authorize the City to go out to bid on the 2014 Silver Acres Project, and to approve the language of the proposed bids, specifications, contract, and construction drawings for said project.

Derek explained that Silver Acres will receive a new water line and get an irrigation line, giving the City a loop system which will help with water pressures in Zion View Estates.

There are 42 lots that will either have the irrigation standby fee or the irrigation fee.

Derek explained some of the issues with water breaks and large holes resulting from past breaks. He also thinks a lot of the water slippage is in that area.

They will get new curb and gutter but no sidewalks, the subdivision was originally approved with no sidewalks.

There are also some drainage issues that will be corrected with this project.

The project should take 90 days and will start the first of February.

**Motion was made by Councilman Ray Justice to authorize the City to go out to bid on the 2014 Silver Acres Project and to approve the language of the proposed bids, specifications, and contract therefor, second by Councilman Brandon Stephenson. Roll Call Vote: Reeve-yes, Hirschi-yes, Jensen-yes, Stephenson-yes, Justice-yes. Motion carried unanimously.**

4. Discussion and possible action to approve Ordinance No. 2013-12; An ordinance dissolving the Dixie Technology Funding Agency, a Title 17C Limited-purpose local government entity-Community Redevelopment Agency (DTFA).

Mayor Wilson reported the DTFA was established for technologies. The two options we have are to keep it and rename it for future use or dissolve it. It has been requested by some of the old councilmembers to dissolve it and Mayor Wilson agrees with that position.

Kevin explained he has been working with Jamie Driessen who is the attorney for DTFA both have reviewed the documents and are okay with them. Mr. Driessen will be filing the paperwork with the State to close this agency. Kevin thinks it is a good idea to close this. The concept is a good idea but it is a little constraining with what La Verkin may want to do in the future.

**Motion was made by Councilman Ray Justice to approve Ordinance No. 2013-12; an ordinance dissolving the Dixie Technology Funding Agency, second by Councilman Phil Jensen. Roll Call Vote: Reeve-yes, Hirschi-yes, Jensen-yes, Stephenson-yes, Justice-yes. Motion carried unanimously.**

5. Presentation and acceptance of the fiscal year ending June 30, 2013 financial audit- Hinton Burdick.

Mike Spilker is a partner with Hinton Burdick CPA who conducted the Financial and Compliance Audit for La Verkin. A copy of the audit was passed out to the Councilmembers.

Overall the financial statements reflect a positive result from the fiscal year activities. There was not a lot of change. This year there were some new governmental accounting standards that had to be implemented so you will see a small difference in the presentation.

The Sanitation Fund and the Sewer Fund were previously reported as enterprise funds and have been combined and added into the General Fund. This makes it more consistent with the government accounting standards.

The Financial Statements audit report issued from Hinton Burdick was given a "clean opinion". The Compliance and Internal Control report listed no material weaknesses noted in internal controls and only

one significant deficiency. The State Compliance has two new findings because the State has required auditors to look more closely at different laws and regulations. Most local governments that they are looking at are running into these same issues. They are small issues in his opinion but they do have to be brought to the City's attention.

The Findings and Recommendations are listed in the document on pages 53-55.

Very good job this year, only three findings and two of them are insignificant. The segregation of duties finding is something 100% of all medium to small cities will have.

Mr. Spilker then went over the finances as a whole for the City.

There was no new debt added this year and all payments were made so the debt is decreasing. The General Fund revenues were in excess of expenditures and were more than anticipated. The expenditures came in less than budgeted as well.

Mayor Wilson commented that in the Irrigation Fund the cash trend looks the way it does because some of the cash that was set aside from the old Canal Company to improve the old system has been spent improving that system.

Mr. Spilker reported if you look at the balance sheet for the Irrigation Fund it shows it is healthy.

The 2013 year end balances are very close to the 2012 year end balances.

Mr. Spilker thanked the City for the opportunity to conduct the audit and staff for making it run so smoothly.

**Motion was made by Councilman Hirschi to accept the fiscal year ending June 30, 2013 financial audit, second by Councilman Jensen. Motion carried unanimously.**

Mayor Wilson thanked Hinton Burdick for the work that they do for us.

#### **H. Staff, Mayor & Council Reports:**

##### *City Administrator- Kyle Gubler*

Winterfest is on Saturday, there will be a float for the Councilmembers.

The annual Christmas Eve Program will be on Christmas Eve.

January 16<sup>th</sup> will be the What's Up Down South Economic Summit. If any of the Councilmembers are interested, let Kyle know by December 11<sup>th</sup>.

Kevin was recognized as one of Utah's top Lawyers. Kevin does a lot for the City, we are lucky to have him.

Kyle will try to get a second grant to finish the Water Meter Project.

The Mayor-elect and Councilmembers-elect can take their office no sooner than noon on the first Monday of the year. He will get with everyone to coordinate when to have that meeting.

Kyle thanked Mayor Wilson, Councilman Jensen, and Councilman Justice for all of the work they have done for the City. They have been very supportive of City events.

##### *Public Safety- Chief Lloyd Watkins*

Chief Watkins passed out November's stats along with the year totals so far.

Both vehicles have been wrapped but still need the badge added to them.

He thanked Mayor Wilson, Councilman Jensen, and Councilman Justice for their support.

##### *Director of Operations-Derek Imlay*

Derek passed around the updated nuisance list. The names in white have been completed; the colored names have either contacted the City or have refused to do anything about the issue. After 30 days they will receive another letter from Kyle. A little over half have come into compliance.

The crew has been getting ready for Winterfest and putting up Christmas lights.



*Treasurer-Troylinn Benson*

The irrigation has been taken out of the system so if you talk to anyone tell them to drain their lines, open their valves and leave them open so the water can drain out.

*Mayor Wilson:* This will be his last report. The City has come a long way in the last few years from economic circumstances and other issues inherited. It was a team effort getting to this position. He thanked Staff for all they do. It has been a pleasure serving the City of La Verkin the last 8 years as Mayor. This is a great city with great citizens and a great new Council. He hopes the economy and the citizens will keep supporting the direction La Verkin is going.

*Jensen:* During the last Solid Waste meeting it was decided to raise the rates a total of .35 cents per month. It will go into effect in February. The Solid Waste has done a very good job at managing things. Washington County is good for probably 50 years with what we currently have. Chantelle Browning met with the Youth City Council and Councilman Jensen. If Mayor-elect Gubler chooses to place her over that committee she will do a very good job. He has so much appreciation for the staff of La Verkin City. He has also had a chance to work with Kerry Gubler before and feels he will do a great job as mayor. He has enjoyed working with staff and councilmembers.

*Justice:* Asked if Councilman Jensen knew when the recycling binnies will be open again.

Councilman Jensen answered Solid Waste is not sure yet, they are waiting for a truck to be fixed.

Councilman Justice thanked everyone he has had the opportunity to work with over the last 12 years, eight on City Council and four on Planning Commission. He appreciates the dedication, efficiency, and professionalism of City staff and employees along with the City Council members. He will continue to be involved in La Verkin and volunteer.

*Hirschi:* There was a Fire District meeting last Tuesday. They presented the budget for the District and are in good shape.

*Reeve:* Nothing to report.

*Stephenson:* Thanked Mayor Wilson, Councilman Justice and Councilman Jensen for their service to the City and commented it has been very good working with them.

**I. Adjourn:**

**Motion was made by Councilman Brandon Stephenson to adjourn, second by Councilman Phil Jensen. Motion carried unanimously at 7:38pm.**

Minutes were taken on behalf of the City Recorder by Christy Ballard.

January 15, 2014  
Date Approved

ATTEST:

Kyle Gubler  
Kyle Gubler  
City Recorder

Kerry T. Gubler  
Mayor, Kerry T. Gubler

